

OCT 8 1987 - 10 20 AM

LEASE SUPPLEMENT NO. 1 INTERSTATE COMMERCE COMMISSION

This Lease Supplement No. 1 is dated October 8, 1987, and is between The Connecticut National Bank, a national banking association, acting hereunder not in its individual capacity but solely as owner trustee under the Owner Trust Agreement (the "Lessor"), and Massachusetts Bay Transportation Authority, a body politic and corporate and a political subdivision of The Commonwealth of Massachusetts (the "Lessee").

The Lessor and the Lessee have heretofore entered into the Lease Agreement, dated as of October 8, 1987 (the "Lease Agreement" and defined terms therein being hereinafter used with the same meanings). The Lease Agreement provides for the execution and delivery from time to time of Lease Supplements each substantially in the form hereof for the purposes of leasing the specific items of Equipment under the Lease Agreement as and when delivered by the Lessor to the Lessee in accordance with the terms thereof.

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, the Lessor and the Lessee hereto agree as follows:

1. The Lessor hereby delivers and leases to the Lessee under the Lease Agreement, and the Lessee hereby accepts and leases from the Lessor under the Lease Agreement, the items of Equipment described in the attached Annex 1.
2. The Lessee hereby confirms its agreement to pay the Lessor Basic Rent for such items of Equipment throughout the Basic Term in accordance with Article 8 of the Lease Agreement. Lessor's Purchase Price for such items of Equipment is \$15,204,144.
3. All of the terms and provisions of the Lease Agreement are hereby incorporated by reference in this Lease Supplement to the same extent as if fully set forth herein.
4. The Delivery Date of such items of Equipment is the date of this Lease Supplement.
5. The Basic Term for such items of Equipment shall commence on the Delivery Date thereof and shall terminate on December 31, 2012.

6. This Lease Supplement is being delivered in The Commonwealth of Massachusetts and shall be governed by, and construed in accordance with, the laws of The Commonwealth of Massachusetts, including, without limitation, all matters of construction, validity and performance.

7. The Effective Lease Rate under the Lease Agreement, computed on the basis of the payments of Basic Rent determined as of the Delivery Date, is 6.63106%.

8. The Lessee hereby confirms to the Lessor that such items of Equipment have been duly marked in accordance with the terms of Section 4.1 of the Lease Agreement and that the Lessee has accepted such items of Equipment for all purposes hereof and of the Lease Agreement as being in accordance with specifications, in good working order and repair and without defect or inherent vice in title, condition, design, operation or fitness for use, whether or not discoverable by the Lessee as of the date hereof, and free and clear of all liens or encumbrances and claims of others except such liens and encumbrances which may result from claims against the Lessor not related to the ownership of such items of Equipment and except the first mortgage lien and security interest on such items of Equipment in favor of the Indenture Trustee created pursuant to the Indenture; provided, however, that nothing contained herein or in the Lease Agreement shall in any way diminish or otherwise affect any right the Lessee or the Lessor may have with respect to such items of Equipment against the Manufacturer or any subcontractor of the Manufacturer under the Purchase Agreement or the Purchase Agreement Assignment or otherwise.

9. The Lessee acknowledges the existence of, approves of and consents to the assignment by the Lessor to the Indenture Trustee of this Lease Supplement pursuant to the Indenture.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease Supplement to be duly executed, as a document under seal, as of the day and year first above written and to be delivered in The Commonwealth of Massachusetts.

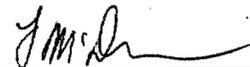
LESSOR:

THE CONNECTICUT NATIONAL BANK,
not in its individual
capacity but solely as owner
trustee under the Owner Trust
Agreement

By _____

Name:

Title:



Frank McDonald

VP

LESSEE:

MASSACHUSETTS BAY
TRANSPORTATION AUTHORITY

By *Arthur J. Shea*
Name:
Title: Acting Treasurer - Controller

Commonwealth of Massachusetts)
County of Suffolk) ss:

On this 8th day of October, 1987, before me personally appeared, Frank McDonald, to me personally known, who being by me duly sworn, says that he is the Vice President of The Connecticut National Bank, that the seal affixed to the foregoing instrument is the corporate seal of said bank, that said instrument was signed and sealed on behalf of said bank by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

[seal]

Philip R. Rosenblatt
My Commission expires _____

PHILIP R. ROSENBLATT, Notary Public
My Commission Expires Nov. 2, 1990

Commonwealth of Massachusetts)
County of Suffolk) ss:

On this 8th day of October, 1987, before me personally appeared, Arthur J. Shea, to me personally known, who being by me duly sworn, says that he is the Acting Treasurer/Controller of Massachusetts Bay Transportation Authority, that the seal affixed to the foregoing instrument is the corporate seal of said authority, that said instrument was signed and sealed on behalf of said authority by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said authority.

[seal]

Philip R. Rosenblatt
My Commission expires _____

PHILIP R. ROSENBLATT, Notary Public
My Commission Expires Nov. 2, 1990

Attachment: Annex 1

ANNEX 1

8 diesel-electric locomotives manufactured by General Motors Corporation (the "Manufacturer") pursuant to the Purchase Agreement, dated September 25, 1986, as amended, between the Manufacturer and Massachusetts Bay Transportation Authority ("MBTA"), identified by MBTA and Manufacturer vehicle identification numbers and having the cost more particularly described as follows:

<u>MBTA Vehicle Identification Number</u>	<u>Manufacturer Serial Number</u>	<u>Cost</u>
1050	846003-1	\$1,900,518
1051	846003-2	1,900,518
1052	846003-3	1,900,518
1053	846003-4	1,900,518
1054	846003-5	1,900,518
1055	846003-6	1,900,518
1056	846003-7	1,900,518
1057	846003-8	1,900,518